

Country Overview:

Spain

WHO OWNS IP IN RESEARCH & DEVELOPMENT?

There are doubts about the ownership of the intellectual and industrial property rights in the scope of the company's research and development. The main reason is the several human and material resources utilized in these creative processes, usually under the scope of a labour relationship. Therefore, it is necessary to specify the ownership of the rights derived of the works created under the research and development activity and to take the legal and contractual measures in order to reach the highest protection level of our corporate interests.

APPLICABLE LAW

The applicable legislation in Spain regarding the research and development works carried out under the scope of a labor relationship, is in one hand, the Ley 11/1986, de 20 de marzo, de Patentes (Patents Act) and, and on the other hand, the Ley de Propiedad Intelectual RD 1/1996 (Copyright Act).

The **Ley 17/2001, de 7 de diciembre, de Marcas, (Trademark Law)** and the **Ley 20/2003, de 7 de julio, de Protección Jurídica del Diseño Industrial (Industrial Design Act)** will be also applicable to several specific cases.

¿WHO OWNS IP IN RESEARCH AND DEVELOPMENT?

1.- Patent Law.

The Spanish Patent Act states in **section 15** that *"The inventions created by an employee during the term of his contract, labor situation or services-providing to the company, as a result of an specific research or being part of the object of the contractual relationship, belong to the employer"*.

Under no circumstances the employee, as author of the invention, will have the right to an additional remuneration. Notwithstanding the employee will have the right to an additional remuneration, in case that his personal contribution to the invention, and

the relevance for the company, exceeds the scope of the tasks regulated at its labour contract.

In case any of the circumstances set in **article 15** of the Patent Law do not concur, **article 16** assigns the invention's ownership to the worker.

As an exception to **article 16**, **article 17** states that *"if the employee made an invention related to his professional activity in the company and the knowledge acquired into the company had influenced predominantly his invention or he had utilized company's means to achieve it, the employer would have the right to the invention's ownership or to reserve a right to use the invention for himself"*. When the employer assumes the invention ownership or reserves a utilization right of the invention, the worker will have the right to a fair economic compensation, calculated in accordance with the industrial and commercial importance of the invention and taking into account the value of the means and knowledge provided by the company and the worker's personal contribution.

2.- Copyright Law

There is no doubt about the legal protection of the physical elements which are in the scope of the patents and trademarks legislation. However, there are doubts about the consideration of the software as an intellectual or industrial good. This issue has generated different positions and its qualification is still controversial.

This controversy is caused by its particular characteristics, since it shares elements which may be identified as inventions to be protected as patents with elements which may be protected under the copyright regulations. It is possible to patent these inventions that include software, denominated as "Computer-implement inventions" through the European Patent Office. These are traditional physical inventions which to operate include software, provided that they are new, involve an inventive step and are able to industrial application.

As a general rule, software rights are regulated under **section 10.1** of the Spanish Copyright Act that states that *"Every literary, artistic or scientific original creation expressed by any means is subject to copyrights... including computer programs"*. The protection of software under the Copyright regulations has several advantages, for instance: a longer protection term, a suitable protection regarding not authorized copies...

Article 97.4, states that the employer will be the owner of the rights when an employee creates a computer program under the frame of his contractual relationship, including the source code and the object file, unless otherwise agreed.

CONTRACTUAL PRECAUTIONS TO ADOPT FROM THE POINT OF VIEW OF THE EMPLOYER OR PRINCIPAL

As a general rule, the transfer of the intellectual property rights to the employer in the scope of a labour relationship will be governed by written contracts. In case the parties have not concluded a written agreement, the law states that the rights must be transferred to the employer only if generated under the scope of the employer's activity. The fundamental issues that must be taken in to account by the employer regarding inventions are the following:

- The agreement must be in writing: it is necessary to specify the ownership of the intellectual property rights.
- The agreement must be concluded prior to the start of the creative process.
- Non Disclosure of Information clauses must be included.
- Policies, regulations or internal directives referred to the employee's inventions must be included.
- When the employer contracts the result of a service to integrate it in an industrial procedure, and also contemplate its commercialization, even as a future possibility, the agreement whit the service's provider is substatial to articulate the necessary rights.